



**Actuarial Office**  
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February 18, 2009

## **AGENDA ITEM 9**

**TO: MEMBERS OF THE BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE**

- I. SUBJECT:** EFI's Final Actuarial Audit Report
- II. PROGRAM:** Actuarial Office
- III. RECOMMENDATION:** It is recommended that the Committee accept and recommend to the full Board the acceptance of EFI's report on the Parallel Valuations and Certifications of the Audits in completion of Task 7a of Contract 2003-3236.
- IV. ANALYSIS:**

The Report recaps the actuarial reviews performed by EFI in the period from November 1, 2003 through November 30, 2008, comments on the changes at CalPERS during the contract and the challenges likely in the future. The report also includes the following comment on the overall status of the Actuarial Office at CalPERS.

"Over the term of this contract, the Actuarial Office at CalPERS has continued to grow and improve. At this point it resembles an excellent actuarial consulting firm much more closely than a government office. Ron Seeling and his staff are to be commended for this achievement. A short list of the accomplishments of the Actuarial Office would include a more educated and informed CalPERS Board and staff, better and more extensive outreach to CalPERS participating employers, and changes in actuarial funding methodology designed to reduce the unpredictability of employer contribution rates... In general, the word produced by the Actuarial Office currently attains a high professional standard and continues to improve."

Findings from EFI and resolutions by CalPERS to each finding are contained in the attached report.

**V. STRATEGIC PLAN:**

This item is not a specific product of the Strategic or Annual Plans but is part of the regular and ongoing workload of the Actuarial & Employer Services Branch.

**VI. RESULTS/COSTS:**

There are no costs associated with this item other than the payments of EFI's fee under contract 2003-3236.

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David Clement,  
Senior Pension Actuary  
Actuarial Office

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Ron Seeling, Chief Actuary  
Actuarial and Employer Services Branch

Attachment